




*Florida Department of Transportation*  
**Advisory Memorandum**  
*Office of Inspector General*

Assignment No. 07N-2001

May 10, 2002

**TO:** Christine Speer, Assistant Secretary  
Finance and Administration

**FROM:**   
Cecil T. Bragg, Jr., C.P.A.  
Inspector General

**COPIES:** Administration Director Dillard, Procurement Office Manager Cappellini

**SUBJECT:** Invitation to Negotiate Process

### **Executive Summary**

In FY 1999-2000, the State Materials Office purchased a Laboratory Information Management System (LIMS) utilizing the newly implemented Invitation to Negotiate (ITN) process. We received an outside request to review the regulatory requirements and the decision-making process involved in that purchase. We found that the LIMS purchasing decision was handled according to the rules in place at the time of the ITN; however, some issues surfaced during our review indicating the ITN process may benefit from some changes to the procurement procedure.

Since the LIMS procurement may not be representative of all ITNs, we reviewed the current procurement procedures; training opportunities and materials available to Department employees; and changes to the ITN template. Based on our review, we identified improvements needed in the areas of deadlines, vendor contact, evaluation of responses, ITN decision-making, negotiation skills, and procedure structure and content. We are available to help you implement these changes and look forward to being of service to you in the future.

### **Purpose, Scope and Methodology**

The purpose of our review was to determine if the Procurement of Commodities and Contractual Services Procedure (No. 375-040-020) would have prevented the LIMS purchasing situations identified in our review of the LIMS ITN procurement.

Our methodology included review and analysis of:

- Chapter 287 Florida Statutes, Procurement of Personal Property and Services;
- House Bill 1977;
- Chapter 60A Florida Administrative Code, Division of Purchasing;
- Department of Management Services (DMS) Memorandum No. 21 (97-98), Invitation to Negotiate;

Note: This document was reviewed as part of preliminary survey, audit step B2. It is available from the Office of Inspector General. This document was issued on May 10, 2002. Evidence of our review of this document can be found on page D4.4. Results and Conclusions of the review are summarized on pages D4, D4.2, and pages D2.6-D2.7 of the Summary of Preliminary Survey Results.